

**Town of Milton
Budget Workshop Meeting
Milton Library, 121 Union Street
Thursday, August 11, 2011
6:30 p.m.**

**Transcriptionist: Helene Rodgville
[Minutes are Not Verbatim]**

Mayor Newlands: Okay, let's get the budget workshop started. There's no formal process for the workshop. I'm just dry mouthed from some blood pressure medication, so bear with me; the cough. What I did, you'll see, I put some highlights on your budget, just to let you know; there were a couple of modifications I made, just to correct a few things. Some of them were typos and a couple of them were actual things that were on the budget reports that were wrong. The first one was on Page 2, the Edmunds Software. We had that at \$9,400 and really, we only spent \$8,774, so I leveled that out.

Councilwoman Duby: And that's the total, even though it's up-to-date now?

Mayor Newlands: Yes, because that's what we were paying in 2010 also and 2009; \$8,774 is what we've been paying all along.

Councilwoman Duby: Okay, so that's just the annual fee?

Mayor Newlands: Yes, the annual fee. On Streets, the actual was high and I spoke to Allen about it. Streets the actual was \$23,000 for salaries; so I made it \$25,000, because even though John Weiss left, we're still doing the same amount of work in Streets, manpower-wise; so I took the \$10,000 off in Water, to offset it; so there's an adjustment there, just how the money is allocated; because they're still doing that much work in the Streets Department. On the bottom of Streets, in the middle of the page, the gray that has nothing in it, the pole barn, the prices starting getting extremely high when you started putting together the base of the area, the blacktop of the area, some of the walls we had to put up; it starting getting to \$25,000; so we're just going to hold that on the side and look for some grant money to do that project.

Vice Mayor Betts: Which one is that?

Mayor Newlands: That was the pole barn for salt and cold patch. The next to the last item on Streets, the capital expense. So we're going to either look for the Street money that they gave us in Municipal Street Aid; they gave us \$12,500 for actual street works. I don't know if we can use that for this or not. If we can, we'll talk to you about it and then if we can get matching funds from somebody else to make up the \$25,000 then we can do the project; otherwise we're going to have to put it on hold for now.

Vice Mayor Betts: The money that we got from our representative and senator, it's a little bit more, isn't it, than what we had anticipated for the Streets, because some of it was Water, coming out of the Water.

Mayor Newlands: They're only paying for the roads, they are not paying for the Water part.

Vice Mayor Betts: Well we asked for \$91,000 and they're giving it.

Mayor Newlands: That's the roads part, the Water part is separate.

Vice Mayor Betts: I thought that was part of the Water.

Mayor Newlands: No, the Water is in the \$14,000, on top of that.

Vice Mayor Betts: I thought it was...

Mayor Newlands: I think it's \$115,000 for the whole project.

Vice Mayor Betts: I thought it was \$91,000.

Mayor Newlands: \$91,000 is the paving part.

Vice Mayor Betts: Yes, I knew, but I thought it was including the water.

Mayor Newlands: It may be including paving over the water work that gets done; but not the water pathogen.

Vice Mayor Betts: Okay.

Mayor Newlands: Okay. The next is the police salaries, overtime and holiday overtime. The sum of all those three figures is the same as it was before. It reallocates; it was \$371,000 for the salaries; it was \$45,000 for overtime and it was \$10,000 or \$15,000 for holidays; so that money just got reallocated. There should be no net change in there and that was because it was just the way we were booking it on the Edmunds System; we were not allocating it correctly.

Councilwoman DUBY: I have a question about this. Looking just at the overtime line, for example; if we budgeted last year for \$30,000 and we're already at \$52,000 and the year's not over, why are we budgeting only \$30,000?

Mayor Newlands: Because we'll have three recruits coming out of Academy and they'll be able to cover the shifts that these guys are covering.

Councilwoman DUBY: Oh, so there's a realistic view that it will change.

Mayor Newlands: Yes. You have to look at it in that, for argument sake 10-11 guys, there's at least 30 weeks of vacation time; they each get 3 weeks vacation time; that has to get covered. They get sick time; that has to get covered. Training time; that has to get covered. They have court time; that has to get covered. So anytime they're not here and you can cover something, it gets covered with overtime, unless you can switch somebody's shift; and that's what they're trying to do; switching shifts and occasionally, I've missed meetings with the Chief, I think in the last two weeks, three times, because he was on the road or taking somebody to Dover to the hospital or something; a mental patient. So these guys; the office guys are filling in as much as possible, as well. There's a lot of coverage.

Councilwoman HUDSON: I have a question about the overtime. You said that if we have three more, they would be cutting down on overtime. So we currently have 8 officers; how many work on day shift, Monday through Friday, on days?

Mayor Newlands: The road officers are different, then the officers. The road patrols are different because they're working 12 hour shifts.

Councilwoman HUDSON: Right, how many?

Mayor Newlands: There are three road officers, generally, right? There are three people on the road?

Councilwoman HUDSON: Each shift?

Mayor Newlands: Each shift. Yes. Then there's a detective.

Councilwoman HUDSON: So that's six? So you're saying only two people have generally worked the Monday through Friday 8 to 4? That would be the Captain and the Chief?

Mayor Newlands: That's correct. The Chief works 8 to 4; the Captain works 10 to 6; Boone, the Detective works 10 hour days, four days a week.

Captain CORNWELL: Detective Boone works Monday, Tuesday, Thursday and Friday, 6 a.m. to 4 p.m.; that's a 10 hour shifts.

Councilwoman HUDSON: And Lt. Harvey?

Captain CORNWELL: Lt. Harvey with the K-9; obviously, the K-9 we try to keep him out a normal rotation, because of the K-9. The optimal use of a K-9 Team is generally during the evening and nighttime and you want to spread that out throughout the week. You don't want that person stuck on one shift. So he works four 10-hour days. It's either Monday through Thursday or he works Wednesday through Saturday.

Councilwoman Hudson: So the new recruits will be in patrol cars? We have eight people and I want to know where's the problem with the overtime? Is it that we don't have enough officers in patrol cars? Is that what you're talking about?

Captain Cornwell: What happens is, for a few years now, I'm not sure when we went to 10 officers, we had a day work officer, a supervisor, or 2 to 2 position and then we had the night work, 6 to 6; 6 p.m. to 6 a.m. Since we're down officers, we can't do the supervisor or the 2 to 2 position; which gives us the extra coverage from 2 in the afternoon, generally, to 2 in the morning. So we ran a study and Monday and Tuesday nights and Friday and Saturday nights are one of the busiest times of the week. To keep the two-man coverage, we have people that fill in during those time periods. The K-9, if he works Monday through Thursday, then Friday and Saturday night, someone works 2 in the afternoon until 2 in the morning, to assist in coverage with the regular day worker or night work person.

Councilwoman Hudson: Okay, so basically what you're saying is Boone, Harvey, Cornwell, Phillips, basically you have the same shifts you have now with eight; that you would have when you have eleven; and you're just filling in and working overtime; because we don't have the other three officers to work patrol.

Captain Cornwell: The overtime, a majority of the overtime right now is filling in where those three would be implanted into.

Councilwoman Hudson: Okay.

Mayor Newlands: And there's still vacations, sick time and court time.

Captain Cornwell: Yes, the vacations, sick time...

Mayor Newlands: And also we have three schools that we now have to work in.

Councilwoman Hudson: We've had three schools, since I'm here.

Mayor Newlands: We've never been responsible for them.

Captain Cornwell: We've had three schools, but this is the first year we're coming out of, where Cape doesn't have an SRO; so we have to take all the complaints from the schools. Historically, we had not done. It was very rare that we were called out there previous to this year.

Councilwoman Hudson: I know it might have been rare that you were called out there, but there are two things. First of all, are you telling me that the officer from the Cape Henlopen High School; if you had a call here from one of these three schools, that the officer from Cape Henlopen High School would have left that school and come here and you would not have responded; that he would have responded for you?

Captain Cornwell: Again, the Cape school district, unless it was a serious in progress complaint, we were never called; and that rarely happened. It was generally sent to the SRO at the Cape High School who handled this High School, plus all the schools in the Cape District. That was stopped last year.

Councilwoman Hudson: How many times did the Cape Henlopen High School officer come into Milton to one of our schools? Do you know?

Captain Cornwell: I have no idea, because we don't have any control about how many times; and he's not the Cape Henlopen High School officer.

Councilwoman Hudson: Okay, he's not the officer.

Captain Cornwell: He was the Cape School District School Resource Officer. He handled all the schools in Milton, Lewes and Rehoboth; he just wasn't at the Cape; that's where his office was, but he handled all the schools.

Mayor Newlands: It was handled internally, it wasn't done through the regular dispatch with these guys.

Captain Cornwell: Yes, it's not done through the dispatch center either.

Councilwoman Hudson: Okay, so to get back, you say you need three more to cover these patrols; so basically the Chief has not just reassigned your scheduling to say you are now patrol officers; he just left your regular schedules and then you got overtime for doing the patrol officer's schedules. So, what I'm saying is, look at it this way. When I was working with the Department of Correction and I was hired for B shift; I was hired specifically for the B shift and then when an officer was injured on the A shift, several months down the road, I was told you're going to do A shift; and that wasn't overtime, it was a change in my schedule.

Mayor Newlands: That works in some cases. If we know we're going to have that in advance, that will work, but...

Councilwoman Hudson: But we knew in advance that we only had eight officers and we were down three and three were in cadet school and you know how long they're going to be in cadet school; so you have a definitive time frame here and I'm saying that it's almost an artificially created; to me it appears to be almost an artificially created overtime situation, because here the Chief had seven men under his supervision and you only need six; I showed you that information; you only need six to have round the clock, full time coverage, 24 hours a day, full time coverage; three on one shift; three on another shift; one of those three is a supervisor; so he had seven men that he could have... Instead of saying you work 10 to 10 or you work 8 to 4; he could have said all seven of you are going to be 12 to 12, trading off shifts and we wouldn't have had the overtime. So it's almost... When you don't change your schedules to meet the situation; which I think might have been a good thing to do, you know...

Mayor Newlands: But they're filling in for other shifts that get vacated by people going to court; people being off for vacation, and that's sporadic. That will happen.

Councilwoman Hudson: That happens when you have eight.

Mayor Newlands: And people fill in for those shifts.

Councilwoman Hudson: Yeah, but that's not what they were filling in for was the odd thing. I mean that's the impression I got was that you're saying we have to have three more to cover; you have two officers and a supervisor; and two officers and a supervisor; and we have to have three more to put all these six under us, so that three at the top, plus the Chief, Boone, Harvey, and the Captain and the Chief can still work their regular shifts. So it just appears that they were continuing to work their regular shifts and then filling in, rather than just saying...

Captain Cornwell: Can I say... First off, prison and police work is apples and oranges.

Councilwoman Hudson: That's why I'm saying...

Captain Cornwell: Police and prison are apples and oranges. They have, on average, 1,580 people at SCI, on a daily average; they have 250 to 300 officers there. Okay? We've got 2,500 people that come into town; or that reside in town, according to the census. We have 1,400 to 1,500 people in the schools every day; the three schools, every day. You put one officer out there that handles 2,500, plus everybody else that commutes in for shopping, work, or whatever, plus in schools, or even two officers vs. that many. We have a plethora, and I'll use plethora, of weapons, drugs and all kinds of things that are available to people out here; when we contact somebody, unless they're what I'll call a frequent flier; where we handle them all the time, we generally don't know who we're making contact with. There is a person that's floating around town right now that's on parole for murder third out of Pennsylvania. Nobody knows that. We didn't know that until we actually made contact with him and were able to run a history on him. When you're talking about the prison and you've got 250 to 300 CO's over there; everybody that's in prison and probably about 75-80% of them are non-violent offenders. Here we don't know who's violent or who's not violent when we make contact with them. Everybody that goes to prison has a pre-sentencing investigation done on them by the court, before they go to prison.

We don't have that luxury. Over there, they've got a lot more manpower for 1,500 people that they can lock down at any time and place. We don't have that luxury, so it's apples and oranges when you talk about one or two officers out in the street handling all of these people vs. 250 people through shifts; they handle 1,500 people over there. You can't compare it. There is no comparison.

Councilwoman Hudson: I think you actually made my point, when you said we have 2,500 people here and then maybe another 1,400 in three schools; is that why, all the officers that we could have put on the street weren't put on the street; and change their schedules.

Captain Cornwell: Another thing is, how much administration is at SCI?

Councilwoman Hudson: We're talking... What I would like to know is...

Captain Cornwell: Another thing we're talking about too is...

Councilwoman Hudson: To me it's an artificially created overtime situation.

Mayor Newlands: All right, hold on. Hang on, hang on, hang on.

Captain Cornwell: Unfortunately, you're wrong on that.

Councilwoman Hudson: When the Chief doesn't change the schedule. I don't believe so.

Mayor Newlands: If you're going to have that kind of impression, then you need to go into the police station and sit down and go over their schedules with them. Okay? Because I'm telling you, it's not an artificially created situation.

Councilwoman Hudson: Well, what I would like to see is...

Mayor Newlands: Hang on, hang on, hang on. I'm speaking.

Councilwoman Hudson: Yeah.

Mayor Newlands: What time does a 6 o'clock person have to call in sick? How much lead time do you need?

Captain Cornwell: He has two hours.

Mayor Newlands: So at 4 o'clock if somebody calls in sick and we need somebody to cover that shift, we have to get somebody to cover that shift and it's generally going to be on overtime and you have to start looking at the budgets of the other departments, as well, in the area; they're running 8-10% overtime, in general. Okay? It's part of the job. It's not any manufactured overtime, believe me, it's not. If you have a question then you need to go in and sit down and think about...

Captain Cornwell: Down in the prison when the A shift needs somebody down the road, you've got 250 people you can pull off to put on the A shift. We don't have that. What we're filling in for is the night's where we need two officers and we don't have two officers and I said before, the K-9 officer...

Councilwoman Hudson: But that's the point. Why don't you have two officers when there are eight of you and seven could be assigned to the street? There is the point right there.

Mayor Newlands: Ms. Hudson, Ms. Hudson, you're the only one right now that thinks the overtime is manufactured; you need to go in and I don't think you should be making a budget judgment, based on something that you're not fully understanding. You need to go in and sit down with them and learn what's going on. I'm serious. I go in there and I learn the shifts; I go in there and I learn what's going on. I don't see anything being manufactured. I'm very comfortable with it. I think you need to go in and...

Councilwoman Hudson: Well, I have a right to my opinion.

Mayor Newlands: Yes you do.

Councilwoman Hudson: I think that overtime is just outrageous and especially the holiday overtime.

Mayor Newlands: The holiday overtime I can give you a spreadsheet and we can calculate it out

to the day and to the hour; because it's the number of men that work; the number of hours and the number of holidays; there are 14 holidays that we have, so that can easily be calculated out to the hour. We have one holiday left and we'll fill in that extra \$2,500 on that next holiday, which is Labor Day. Then that's it for the fiscal year. That number was calculated by me, about a year ago, with the manpower that we have, the number of people that support a holiday, and the number of holidays we have. That's a very predictable number.

Councilwoman Hudson: And the other question about the statement that we didn't have three schools, we've had three schools since I first moved in here.

Mayor Newlands: We didn't have responsibility for three schools. Everything was done in-house, off DSP, off the SussCom system...

Councilwoman Hudson: Are you telling me when I started teaching in 1970 that Chief Mills didn't respond to a school when he was called?

Mayor Newlands: I'm not comparing anything in 2011 to 1970. I'm sorry.

Councilwoman Hudson: We had three schools back then.

Mayor Newlands: I think we need to move on.

Councilwoman Hudson: And four officers.

Mayor Newlands: Okay. On Page 3, there is a grayed out area down there, Parks. I just made it match what it is; we're at \$9,500 right now for Parks. I have the income match the expense and I'm just making sure it matches the books, that's all. Okay? 5280 Parks Supplies – two things with that. The last time I had that as \$500; that was a typo; it should be \$2,500. The reason that we spent \$5,500 is because we had all those smoking snuffers; we're getting paid that money back from the Lung Association. So the extra \$2,000 or \$3,000 or so in there; we're getting reimbursed for that money and I'm not sure if Allen got the check. Allen, did we get reimbursed yet?

Allen Atkins: We got some of it in, right.

Vice Mayor Betts: So it's on the revenue side too?

Mayor Newlands: Some of it's already on the revenue side and we're still getting more money; we're waiting for more money from the Lung Association.

Vice Mayor Betts: But are you showing it in the expenses; so it should be in the revenue, right?

Mayor Newlands: It should be in the revenue side for Parks. It will probably be under Miscellaneous Donations. I don't know exactly. I'll have to find out. Okay?

Vice Mayor Betts: There's nothing in that.

Mayor Newlands: Let me make a note.

Vice Mayor Betts: There's not anything under donations.

Mayor Newlands: I'll see where they put it, okay?

Vice Mayor Betts: Okay.

Councilwoman Hudson: Can EDIE grant money be used for the K-9 dog? It's drug money; it's grant money used for drug purposes.

Captain Cornwell: Ms. Jones had mentioned that the last time about using SAL or EDIE for a bite suit or something. The problem with the bite suit part of it, is that is a K-9 apprehension and patrol; it's not drug related, because the dog holds two certifications. One is for K-9 patrol, the other one is drug certification. For things like that, we can't use EDIE which is drug related for a bite, because you could have a dog that is just drug identification only; therefore a bite suit would not be suitable for a drug expenditure.

Mayor Newlands: Page 4. I want to go through these quickly. There's an item right in the middle of the page; it's two rows tall, it's easy to see. It's the Building Planning and Review. I have not changed that yet, but Robin is advising me that I can probably drop that from \$27,500

down to \$20,000; the number of units being built is going to hit around 14 units this year, so that's the inspection fees and the planning review fees for that from first date, so that's going to get lowered for next year.

Vice Mayor Betts: The \$27,500?

Mayor Newlands: Yes, we're going to lower it to \$20,000.

Vice Mayor Betts: To \$20,000.

Mayor Newlands: Yes. I just have a handwritten note, we just talked about this after I printed everything.

Councilwoman Duby: Is there a lot more outgo coming in the next month or two, because the actual is very low?

Mayor Newlands: We have four more units, right Robin? There are four more units that are going to start; that should go on.

Robin Davis: And there's actually probably, like you said, almost \$4,500-\$4,600 still out there.

Mayor Newlands: We're still owed about \$4,500 right now.

Councilwoman Duby: You're just anticipating more.

Mayor Newlands: There are some things happening in the wings that I'm aware of, that may bring this up a little bit. There's a few developments getting sold and swapping hands in the next few months, so we anticipate a little bit more, not much. I actually showed you that on the revenue side, because I did change some things on the revenue side, to lower expectations. Meetings, actually two lines down from that, we're just going to cross out the \$300; that was for the meetings in the theater.

Vice Mayor Betts: You're crossing that out?

Mayor Newlands: Yes I'm going to make that zero. Not that it's much money, but \$250 is just showing the holiday bonus; I fixed that. And the item under the \$250, the \$1,900; we're going to make that \$1,300 because there's a book that we don't need that was \$600 a year and we don't need it anymore.

Vice Mayor Betts: So it's going to be \$1,300?

Mayor Newlands: Yes. And towards the bottom of the page, the Water Salaries got reduced from \$127,656 to \$117,656.

Vice Mayor Betts: It would be nice if you would give the number, so that we can follow.

Mayor Newlands: It's the last gray area on the bottom; it's 5100 in Water, for Salaries. When we added the \$10,000 to Streets for the Public Works guys, I had to put money in there, so I reduced this number by \$10,000; that's all. And just quickly on the Water, Printing and Postage, I just worked that up to a more realistic number; we already spent \$3,600; that \$4,000 in the middle of the page, that's item number 5430 Printing and Postage...

Councilwoman Duby: Is that water bills?

Mayor Newlands: Yes, it's water bills and I had \$3,500 in there, it's already exceeded that, so I just made it \$4,000. And three items down from there, the Water Tower; that's in gray. It didn't change, but we're sending that out for bid; it was a ten-year contract we had to maintain the water towers; and that's maintenance; what was it painted every two years; inspected every year; or something like that.

Allen Atkins: It will be either by the 10-year maintenance plan; I think that's what he's really going to bid it by; but we talked about it yesterday. Either that or an overall program to do maintenance on the towers, period.

Mayor Newlands: What do you mean overall?

Allen Atkins: Basically just paint them every so many years; we have to put in the budget every year so much to cover that. They do it every two to five years for ten years. The ten year

maintenance agreement is to make my person feel a little better, because they maintain everything if something happens to it, they'll come fix it. Somebody shoots a hole under it and it breaks, they're going to come and repair it. But we'll know in a couple of months; it's being put out to bid in a couple of weeks.

Mayor Newlands: So that \$14,000 will probably change with inflation because of the new bids coming in. Just go over to Page 6, which is now on the revenue side, in the middle of the page, 4200 and 4250; those I had listed as 25 homes before; I dropped them down to 15 homes to be more realistic; because we missed our goals drastically this year.

Councilwoman Duby: So the actual figure there, there's nothing there.

Mayor Newlands: We're waiting for a number from Tidewater. It's probably \$9,000 or \$10,000.

Councilwoman Hudson: What's the account number on that?

Mayor Newlands: 4250. It's probably in the \$9,000-10,000 range.

Councilwoman Duby: And so we're budgeting so much more than that because of anticipated increases in...

Mayor Newlands: Is it \$15,000? You did the invoice. It would be 10 new homes at... This year it should be \$15,000.

Robin Davis: We actually have 11 homes now.

Mayor Newlands: 11 homes now, so it's \$16,500 then. The blank area in actuals should be \$16,500; and we're looking at 15 homes to be built. There are at least five things in the budget that are based; fixed costs or fixed revenue, based on the number of homes that are built and these are the first two. The other three are on the next page. I'll skip over trash for now. The other three are 4610, 4630 and 4650; those are fixed numbers; fixed revenue based on the number of homes built. So we just made that more realistic; that 15 homes, because that's what we're probably going to hit this year and that's what we're guessing for next year.

Councilwoman Hudson: Under Revenue, where is the Sussex County Grant? Does that count as revenue?

Mayor Newlands: Which Sussex County grant? The police grant?

Councilwoman Hudson: Yes.

Mayor Newlands: It's under police grants; Page 10 is police grants. And from what Vance Chief Phillips said a few weeks ago; it is not allowed to be controlled by Town Councils; it is only to be controlled by the Police Department; and I will get you the printout for that at the next meeting. Okay, trash.

Councilwoman Jones: I have that document.

Mayor Newlands: From a couple of weeks ago?

Councilwoman Jones: No, I have the document dated August 10th from the County Council on how the grant shall be administered.

Mayor Newlands: Right.

Councilwoman Jones: It was signed by the Chief, Mayor and the Town Manager.

Mayor Newlands: Right, I understand that, but it's been set up, according to Vance Chief Phillips, it was set up so that the grant would not be politicized and would not be controlled by Town Councils. It has to be signed off by the Town Manager, the Mayor and the Chief of Police, yes; but Town Councils can't dictate what goes in there, supposedly. I have to get further information on that.

Councilwoman Jones: Was it previously dictated by Town Council?

Mayor Newlands: No, he just reiterated that in a meeting 3 or 4 weeks ago, Mr. Phillips. I just saw that in the minutes of a meeting. I don't know if I have copies here. Trash, let's back up a little bit to trash revenue, because I didn't highlight it on the trash expenses, but we're getting

somewhere around; you'll see it next Thursday in your Town Council Meeting; but the budget numbers are coming in for about \$233,000 for trash this year; that's the new estimates coming in. We have four or five bidders on this. This is strictly trash, without yard waste; so next week's meeting we're going to talk about yard waste.

Councilwoman Duby: Is recycling included in this?

Mayor Newlands: Yes, recycling is included.

Councilwoman Duby: Okay.

Mayor Newlands: And according to quite a number of people, it was not supposed to cost anything more. But nobody's gotten any bids that are keeping the price the same as it was before.

Councilwoman Duby: Well, as you pointed out, last week; it's more pickups and it's...

Mayor Newlands: We were partnered with a grant with Georgetown to get the trash cans for the recycling and they got turned down because Georgetown raised their rates for trash pick up because it's going to cost more, because there are more trips; and DNREC turned the grant down and I'll explain some other things later, but DNREC turned the grant down and wouldn't give us the trash cans; wouldn't give Georgetown the trash cans; because they're saying that you can't raise rates, because the rates should be even with what they are today, because they should be saving money. As luck would have it...

Councilwoman Duby: Did they explain how you might save money in these circumstances?

Mayor Newlands: No, they did not. I wanted to know what math school they went to, also.

Councilwoman Duby: Let's have a workshop on that, shall we.

Mayor Newlands: They did and we questioned them on the workshops a number of times and they're standing by that. I don't know if it's because they want to not give out their grant money; because that's the 4¢ per model they get for the next five years. The contract they wrote actually had trash cans built into it; so it was fine; we were okay with it; so the bids included getting us the trash cans; so we've slightly lowered the bid that they came in, because we had 600 trash cans already from DSWA that we got for free; so that lowers the number, a little bit and what we'll talk about next week, also, is I started talking to Allen and Dustan about doing some sort of yard waste drop off. A lot of the towns are just throwing their hands up and have said we're doing nothing; because they don't want to deal with it. But we've worked out something where we can do a minimal amount of service with the drop off and get some equipment fairly inexpensively to help us with that.

Vice Mayor Betts: And it's going to cost \$5,000?

Mayor Newlands: It will probably be \$6,500; we're going to figure we'll pay and it will be a little bit more than this, but we'll charge this per year and it will help pay for the services and support the salaries and things.

Vice Mayor Betts: And they have to take it to the maintenance yard?

Mayor Newlands: They have to take it to the maintenance yard, yes.

Vice Mayor Betts: That's going to be an inconvenience for some of the older ones.

Mayor Newlands: The older ones can buy a service; we thought about doing stickers and things like that; and pickups and we were like quickly going I don't know if we can do that.

Vice Mayor Betts: But it's going to be mandated to everyone?

Mayor Newlands: No, it's voluntary. Well, I can't mandate that you take your trash down there; but...

Vice Mayor Betts: No, but I mean, they do not have to pay this if they don't want to use it. Is that right?

Mayor Newlands: We're going to put \$1.25 per quarter in everybody's trash bill, yes; to make up

for this money, yes. It's \$1.25 every three month's for this. Otherwise managing that; people signing up and charging them for that, it's unmanageable to do it that way. This is the only way of doing it and I didn't want to bury it in there, I wanted it to be showing up what it was. Those that can't do it, they can get a service, the same as other people do. My wife had two bags sitting in the side of the house and the guy down the block was driving by slowly, she flagged him down and gave him \$10 and the bags went away. That's sometimes what happens.

Councilwoman Duby: And through DNREC.

Mayor Newlands: No, it was the Governor. Somebody convinced Markell to do this, I shouldn't blame him totally. Somebody convinced him that this was going to be a wash. Where are we going from here? We have a deficit of \$320,000; because of the \$10,000 Robin's going to give us back, somewhere along the line; so you're out about \$320,000. I have a couple of handouts that we gave out, just to let people have some ideas of what's going on. If you look at this long sheet here, these are all of our bank balances; I trended it across the entire year. That should be \$320,000. If you just look at this sheet that I handed out, it starts off at \$1,359,000 and it ends at \$1,031,000. This is what we had in the bank at the beginning of the year and what we have as of tomorrow; because we're running payroll tomorrow, which is \$30,000. So that's what will be in the banks as of tomorrow. We have a deficit of \$320,000 and as I've was saying before, after this year, you have one more year and you're pretty much going to be out of money. We have no room for capital improvements, at all. This includes all the transfer tax. Transfer tax, if you look at it, is \$189,000 in the bank right now; that's because we got \$50,000 from the sale of Cannery Village and Dog Fish; we got that money. We're not going to get to see that again. So that supported transfer tax this year, quite a lot. If you go and look at this worksheet that I handed out also, this has a bunch of proposals on it; just to give you some information and put some numbers in your head. We had the boat rental which we just enacted last month, or the beginning of this month; at the second grid; and this is the Gross Rental Receipts Tax and there are four different options on Gross Rental Receipts Tax; assuming an average of \$12,000 a year; which is a \$1,000 a month and the way I get that number is I've looked at ads online and in the paper and rents are anywhere from \$600 to \$1,400 in Milton; with an average of about \$1,000 a month; so if you multiply that out times anywhere from 3% to 6% and this is the revenue you're going to get from that.

Councilwoman Hudson: May I say something? Property tax; when the reassessment was done, in the minutes we all thought that perhaps one third would go up; one third would go down; and one third would stay the same. However, the representative from the company said that while one third went up; actually, two thirds went down on what their paying for their property tax following the reassessment. So, I'm wondering where it says property tax .207 (a 15% increase) we don't have some more options, like you've got 10% increase, 15% increase; why we don't have some more options on that with perhaps a higher amount, because when we have, again, you just said \$320,000 deficit to put a \$200,000 (6% of that) on people who are middle or perhaps low income; the renters; eventually it will go back to the renters. While it initially may come out of the property owners pocket's, this increase in Gross Rental Receipts Tax, it eventually is going to be put on to the renter's themselves; it will come out of their pockets. I'm saying this is an undue burden to put an unnecessarily high burden to put on just 300 property owners; whereas if we had more options on property tax increases, we could spread the hurt over a greater number of people. As you said, the number of units and Rental Receipts Tax is 272; whereas the number of units on property taxes, is 1,881. So I think what I would like to see are more options on higher property tax, so that we could perhaps be looking at a Gross Rental Receipts Tax.

Mayor Newlands: Well, let me give you the math on just to fill the gap from property tax alone, would be a 50% increase. It would be \$330,000.

Councilwoman Hudson: That's not what I'm asking.

Mayor Newlands: I know, I'm just telling you, that that's the situation.

Councilwoman Hudson: So where's the middle ground, is what I'm asking on the property tax? Like suppose, for example, you took a 3%, which you have here, which takes \$97,000; which is basically one third of our deficit; how much more would you have to charge in property taxes to make up the other two thirds out of property taxes?

Mayor Newlands: Very simple; just double the bottom number; double the .20% to .40% and make it a 30% increase; that will double basically that \$100,000 and make it \$200,000; there's your \$300,000. So if you do a 40¢ increase, which is 30%; you're going to get basically \$200,000 out of that. And that will make up pretty much your whole deficit.

Councilwoman Hudson: Okay. Thank you.

Councilwoman Duby: Given where we are, if you look at the third handout, we're 18¢ is the rate and the next highest one in the area is Lewes, at 49¢. I'm sorry, Dewey Beach is lower; Dewey Beach is 40¢.

Mayor Newlands: I'm not sure if these are really relative numbers; because of the way they've been assessed.

Councilwoman Duby: Isn't it always per \$100 of assessed value, or something like that?

Mayor Newlands: Well it could be 750% of the assessed value times that number. I can't believe Henlopen Acres is paying that much more than us; that would be thousands and thousands of dollars in taxes.

Councilwoman Duby: Those people are very rich.

Mayor Newlands: I know that. I know that. I don't think they're that rich.

Councilwoman Duby: Perhaps they could afford it.

Councilwoman Hudson: So when we had the assessment, it was .41 per \$100, before the assessment; and when they finished with the assessment and the same amount of money was supposed to be coming in; it went down to .18; so we're paying a very low rate over a larger number of people.

Mayor Newlands: But it's still the total overall assessed value.

Councilwoman Duby: It's the formula, so what he's saying is our is 100%; but others may be 50% or whatever; so it might be apples and oranges; and we don't know that.

Mayor Newlands: Yes, that's right.

Councilwoman Duby: I don't know, but it seems to me...

Mayor Newlands: The way I look at it, the way I get my ideas, I go on the multiple listing, I look at Lewes, I look at the homes, I look at the sizes of the homes, I compare it to mine, and Lewes does pay more in taxes than we do; but maybe for a house like mine, they may pay \$100 more; that's all. Lewes is also a bigger city than ours. It's a bigger town; they have many more residents than we do, so they're generating money by...

Councilwoman Duby: They don't have a whole lot more than we do.

Mayor Newlands: I don't know what their population is. For next week, I'll...

Councilwoman Duby: I think their population may be around 3,000 and ours is now 2,500; so it's not a lot.

Councilwoman Hudson: Well the point is where are we going to get money for our budget; how are we going to get money for our budget from our citizens?

Councilwoman Duby: Well, the reason I'm raising this Mary, is that I think it's relevant in terms of what we consider and what we say to people whose property taxes we are raising, to say, if

it's true, as these figures may indicate, depending on what the formula is, that right now the rate of property taxes in Milton is significantly lower than it is in all of the other communities listed here: Dewey, Henlopen Acres, Lewes, Rehoboth Beach and many of the others; but we don't know what their formula is, is what he's saying.

Mayor Newlands: Since we have a week between this meeting and the Council meeting, when we're going to actually vote on this; go to DELMLS.com and look up homes in the Lewes town area.

Councilwoman DUBY: I would much rather spend the time trying to find out what their formulas are. Can't we just call them; have somebody in the office call them and say what's your assessment formula?

Mayor Newlands: Yes, I can do that. I can do that. But I like to see some of the homes that are equivalents.

Councilwoman HUDSON: What is our assessment formula, though?

Councilwoman DUBY: What is ours? It's 100%.

Mayor Newlands: It's 100%.

Councilwoman DUBY: It's 18¢ per \$100 of assessed value.

Councilwoman HUDSON: Right.

Councilwoman DUBY: Of the entire assessed value; but what he's saying is in others it may be 49¢ per \$100, which is half the assessed value. So we need to find out if these figures are consistent, given the formula.

Councilwoman HUDSON: Well if you want to use these figures to explain to people where we are in relation to others, but my concern still comes back to balancing how we're going to get money from our residents.

Councilwoman DUBY: That's what I'm talking about. I'm just talking about being fair. It's a lot easier for me to vote for a tax increase, if I know that our citizens are paying 18¢ per \$100 vs. 40¢ in Dewey Beach; \$2.17 in Henlopen Acres; 49¢ in Lewes and \$1.55 in Rehoboth Beach. We're significantly lower; if in fact they're all paying that on 100% of the assessed value. It will affect how I approach this issue and how I will vote on this issue and how I see fairness to our citizens.

Mayor Newlands: Yes, but the chart that followed this was wrong as far as what it said for Milton; it had 50% from 2010, so I knew that was wrong; so I was questioning the rest of it; so I have to call Dewey and the others as well.

Councilwoman DUBY: Because if everyone else is 50%, then we aren't lower.

Mayor Newlands: Yes, some of them are also based on a county assessment; which is 1974.

Councilwoman DUBY: Yes, 1974.

Councilwoman HUDSON: But fairness is exactly the point, where I was thinking \$200,000 should not come from 272 units.

Councilwoman DUBY: The concern that I have about the Gross Rental Receipts Tax is, it seems to me based on some of the things at the last meeting and people have called me and sent me letters about it; a) we don't have a clear idea of exactly how many renters there are here, because there are an awful lot of people renting property that don't have rental licenses and are not on the books; so if we're going to impose a Gross Rental Receipts Tax, we better be damn sure that we have every landlord in town and that we're applying it fairly to people and, my own feeling is that if we're going to do it, we ought to be at the bottom of this scale from 3-6%; not at the top.

Councilwoman HUDSON: I totally agree it should start closer to the bottom of the scale.

Councilwoman DUBY: And I agree with everything you've said about it being fairer to spread the hurt among people; so I think the property tax comes first and then look at...

Mayor Newlands: What Dewey Beach does with the rental taxes, with their property tax they send out a statement for every homeowner; they must sign whether they lease their home or live in their home; and a fine if they lie about it; if they get caught lying I forget what the rate is, but there's a fine; so every homeowner has to sign a form, every single year, declaring whether they're a landlord or resident.

Councilwoman Duby: Well, if we're going to do that, we better figure out how we're going to determine whether they're lying or not and that seems to involve some research.

Mayor Newlands: Well there are a couple of things. I mean John Boros mentioned something about matching lists together; we're doing that. We're also going to be running lists against the property tax records to see how many times the same name repeats itself throughout town; so we're going to be doing all that due diligence.

Councilwoman Duby: Well somebody suggested that we can have the Code Enforcer drive around and look at all the For Rent signs.

Mayor Newlands: I did that and there weren't many; there were six for For Sale signs and one For Rent sign in the area I was told to look in.

Councilman West: Mr. Mayor, I've got a question on this Gross Rental Receipts Tax. Are you classifying these landlords as a business?

Mayor Newlands: Yes.

Councilman West: If you're going to classify these landlords as a business, then you should charge anybody that is doing business in this town, the same amount across the board; not just the renters. Because these people that have these shops down here, they're renting and they're making money off of those renters, so they should not be exempt from it either.

Mayor Newlands: I think only one of the town's taxes the commercial.

Councilman West: What I'm saying is, what's fair for the goose, is fair for the gander; and you wouldn't have to collect as much Gross Rental Receipts Tax if you did it that way.

Mayor Newlands: But some of them are paying state taxes; there are state revenue taxes that they pay.

Councilman West: Are they still doing business in the Town of Milton?

Mayor Newlands: They are.

Councilman West: Okay. I rest my case.

Councilwoman Duby: So this would apply, as you see it now, only to residential properties?

Mayor Newlands: Right now, it's set up for residential, because that's what most of the towns are doing, is residential; they leave commercial alone.

Councilman West: But you should do it to every business. If you're going to do it... If you're going to seek out the landlords, then you need to call out all of the rest of the businesses too, along with them; because they're doing business, just like a landlord is doing business and these landlords are not making what you think they're making. I can tell you.

Mayor Newlands: I go based on the ads on see in the paper; that's all I go based on.

Councilman West: Yeah, I know.

Vice Mayor Betts: But that's only property in one house.

Mayor Newlands: No, I see quite a few ads, believe me.

Councilman West: But what I'm saying is, Mr. Mayor, these landlords are not making the money you think they're getting, because people come in there and they're taking them in in good faith; and then they're not getting their rental money; they're having to spend more money then they've taken in, just to fix these properties up.

Mayor Newlands: I'll talk to Seth. Seth was the one who advised me not to do commercial, but then again, in Millville, they do commercial; so I'll check with him and we'll see if we can add

that back in as well.

Councilman Lester: May I make a comment, not related to the residential side and wear my commercial hat?

Mayor Newlands: I don't know about that, it's a Gross Rental Receipts Tax. You're not a... you're a tenant. He's not a landlord, he's a commercial tenant.

Councilman Lester: I think one of the problems Milton has faced for years is that we, whether deliberately or inadvertently, have frightened away many commercial properties and landlords. I'm not sure I would go after commercial, when we're trying to develop commercial properties in town; we're trying to attract people to town, not chase them away. That's a consideration.

Mayor Newlands: That was one of the reasons that Seth said stay away from commercial, because the commercial can just move; and they can move right outside of town and still have the same population of townspeople going to their business, being 5' away from town.

Councilman Lester: The other thing I would like to say, we are able to cover our balances budget, in essence; we have to be careful that we can maintain this reserve, because if something drastic happens and there's a major expenditure, it won't take long to eat into that reserve. If we look at the handout that the council members have, and you look at the past few years, and you look at the actual deficits, you can see how the town barreled through over \$2 million from 2008 to 2011. We just went through that and I have to repeat what I once said before the Council, they spent money like drunken sailors. That's a lot of money. If you want to know how we got there, this is how we arrived in the position we're in today.

Mayor Newlands: If we have any problems, we have some money in reserve; but it's not going to last long if we keep spending \$300,000 a year; it doesn't last long.

Councilman Lester: No.

Mayor Newlands: It doesn't last long. I mean, the sewer plant right now has a problem; they're thinking of ripping up Front Street, just to put in larger sewer pipes, because two 8" pipes meet a single 8" pipe; and when you get storms and there are some outages like we've had, they get sewerage backing up into businesses.

Councilwoman Jones: Are we in a position to take some other comments, observations on the budget and talk about how to get out from under this?

Mayor Newlands: Sure.

Councilwoman Jones: Okay. I have a couple of questions about revenue first.

Mayor Newlands: I would like to keep them at a couple of thousand dollars and above, not go after things that are \$250, please. Those are little things that take up time.

Councilwoman Jones: Revenue to date, where are we on collecting back taxes under amnesty?

Mayor Newlands: We're owed up about \$35,000-\$37,000.

Councilwoman Jones: Is that what we've collected?

Mayor Newlands: No, we're owed about \$35,000; we started out around \$60,000-\$70,000 when we started the project.

Councilwoman Jones: So we can say we've collected \$30,000?

Mayor Newlands: Somewhere around there, yes. Some of them were the big developers just holding off. The Clean Hands Act that we enacted awhile ago, nailed one big developer.

Councilwoman Jones: Is that revenue not showing back on here, under revenue?

Mayor Newlands: Some of this... It is showing here on revenue. Yes, it is, so if you look at Page 6, the second line item, \$677,000; that's the extra money we've been collecting; well this is money that's been owed us for the last five years, in some cases.

Councilwoman Jones: I just want to make a note. I got it. So we are getting some of that.

Mayor Newlands: Yes, but it's old money that you're not going to see next year, so we're getting

monies in that are bridging some gaps and that is not going to happen again.

Councilwoman DUBY: It will pay some bills, but otherwise...

Mayor Newlands: Yes, it's good for this year, but that's about it.

Councilwoman Jones: Okay, revenue, the sale of the previous Town Manager's car.

Mayor Newlands: That hasn't been done yet, but you're not going to get much for that car; about \$7,000 or \$8,000, I'm assuming.

Councilwoman Jones: \$7,000 or \$8,000 is \$7,000 or \$8,000. You asked me to keep it high, I think that's high. Is there some reason we haven't started that?

Mayor Newlands: I just haven't gotten to it yet.

Councilwoman Jones: How about restitution for the accident on Federal Street, New Year's Eve. We should have gotten restitution from an insurance company, would be my guess. Can you tell me? It's been eight months. Was there a police report filed?

Mayor Newlands: There was, because there were police officers there.

Councilwoman Jones: Because there would have been a value to the... I mean, the victim would have been Milton, right?

Mayor Newlands: Right.

Councilwoman Jones: Property damage.

Seth Thompson: Yes.

Councilwoman Jones: And that would then come from the driver's insurance company? Isn't there anybody that pursues that?

Mayor Newlands: It did. I don't remember if the money is in yet. I think the money is in; I don't know where it is in here. I have to find out.

Councilwoman Jones: Okay. And the police cars that are in the back parking lot, are those the three that are being reserved for the recruits? There's a plain and then two marked.

Captain Cornwell: A plain and two marked; you'll have to ask the Chief when he comes back. He takes care of that.

Councilwoman Jones: Because they've been sitting there awhile and I didn't know if they were earmarked for your recruits coming in.

Captain Cornwell: I can't answer that.

Mayor Newlands: They should be, though.

Vice Mayor Betts: I've been asked that question also.

Mayor Newlands: Everybody's got to have a car, so they would be.

Councilwoman DUBY: I want to go back to the previous question. If we have gotten that money back, I've had a couple of people in the Garden Club asking for this; are those fences going to be replaced with that money?

Mayor Newlands: Yeah, I prefer not to, personally; but everybody seems to want to.

Councilwoman DUBY: Well we could have the Garden Club pay for it.

Mayor Newlands: I prefer having a slightly wider street to walk on.

Councilwoman Jones: I actually have been rather diligent looking at this, so if you'll bear with me, I will try to do this in a succinct order as I possibly can. Before I go to the draft budget, the 10-page document, across the board I found 30 documents posted on the expenditure sheet that totaled over \$6,700 and I can't make head nor tail of them because what is sometimes used as a description column, which is followed by the vendor; in the description column of the 30 items I can't identify, it reads MasterCard, Citizens MasterCard, MasterCard Phillips, Citizens Bank, MasterCard expenses, Citizens billing. I'm just trying to be responsible. There are line items under the descriptors that are too numerous to have counted; that for somebody like myself who wanted to crack what those costs were for, I can't make rhyme or reason out of what it means. It

would be very helpful if that kind of information on posting those accounts might be added in a year to come.

Mayor Newlands: We're getting better at doing it. We're no longer short staffed in that area, so that should start becoming better.

Marion Jones: It would be a help.

Mayor Newlands: Just to let you know, when Mr. Lester and I sign the checks or Ms. Betts signs the checks, we do see all the details of that charge card, so everything is there.

Councilwoman Jones: I'm not questioning you. I'm saying it's my responsibility to look at it, I can't know what it is.

Mayor Newlands: It is being reviewed, so I just want you to have that comfort level that it is being reviewed.

Councilwoman Jones: On Page 2 of the smaller document, the second line down, under Administration 5803; have we not paid the Garden Club anything this year yet?

Mayor Newlands: No we have not. We generally wait until the end of the season. They give us all their bills and we pay them.

Councilwoman Jones: Okay. Since some of what we put out for bid this year and voted on were fees for Streets, none of the CAFE engineering fees belonged in Streets? Because there is nothing posted and yet, further on in the expenditure it calls that that is a Street...

Vice Mayor Betts: There is \$3,000 for Streets.

Councilwoman Jones: No, this year-to-date, we didn't spend anything?

Mayor Newlands: No, Allen and I talked about that yesterday. Some of it is with Water, right now; we haven't broken it out because it was part of that one project.

Allen Atkins: The Water and the Street was all lumped together and it probably all got put into Water.

Mayor Newlands: Yes, so we just have to break that out.

Councilwoman Jones: Okay. Under Streets, 5806, Bobcat. It says 2 of 3, so I'm asking where is payment 3 of 3, because there's nothing in the column for this next budget year?

Mayor Newlands: That's two-thirds of \$25,000; it's the \$16,921; the other one-third is in Water. Did I not put the one-third in Water? I should have put the one-third in Water.

Councilwoman Duby: Yes, it's here.

Mayor Newlands: Okay, I'll trust you.

Councilwoman Jones: Under Police, no account number, overtime special duty, \$15,000.

Mayor Newlands: There's no number because we don't track it right now.

Councilwoman Jones: Understand. Is it the Town of Milton special events, such as Bargains on the Broadkill and the Crab Festival or is it a reimbursable amount from Office of Highway Safety for State Check Points?

Mayor Newlands: No, the Highway Safety is separate. Highway Safety is down in the grants; this would be for the Bargains on the Broadkill, the Horseshoe Crab Festival; right now it really would be a breakdown and move money down from overtime into that category; so we're trying to just identify what we're spending overtime money on. So I don't think it would really change the overtime. In one or two cases it will change the overtime, because some of these events are getting bigger; and we will need a few more officers on for traffic control; but in general, this was really to show how much money we're spending out of the overtime money on special events.

Councilwoman Jones: Okay and referring over to my next piece of paper, this is Fact Plus Opinion, we have to date spent \$77,500 in overtime; that is holiday and straight overtime. That would be divided by seven people, because I understand the Chief does not get overtime.

Mayor Newlands: That's correct.

Councilwoman Jones: If you add, which I did not, if you add the additional \$15,000 and I maximized it by adding the additional \$15,000; it's \$92,500 worth of overtime.

Mayor Newlands: Where did you get \$15,000 from?

Councilwoman Jones: From that little line item, Special Duty.

Mayor Newlands: No, no, no. Special Duty would be derived from the other overtime. It's already in the \$52,000; there may be some extra here and there, because it may be three events, four events; we would need one extra officer for four hours; it's not really a lot of money. That may happen, but that's really not a lot of money.

Councilwoman Jones: So it actually belongs to 5110?

Mayor Newlands: I want to break some money out of 5110 into that new category, to show people what we're spending on events.

Councilwoman Jones: Okay.

Councilwoman Hudson: \$77,500?

Councilwoman Jones: \$77,500 has been paid to date.

Mayor Newlands: Okay, your mis-classifying; let me explain holiday, okay? The officers that don't work get holiday pay; the officers that do work get their regular duty pay and time and a half; that's what's comprised in that and I can show you a spreadsheet that will bring that down to the penny.

Councilwoman Jones: It is only time and a half?

Mayor Newlands: The officers that work the holiday get time and half, plus their day's pay.

Councilwoman Jones: Right.

Mayor Newlands: The officers that don't work, get the holiday pay.

Councilwoman Jones: Which is two and a half times their pay.

Mayor Newlands: The officers who work is double time and a half, yes.

Councilwoman Jones: Right, I understand; that's what I was trying to get at, rather than time and a half, it actually turns out to be double time and a half. Okay, Rehoboth gets that on a contract. That's why I was trying to make sure that I understood. That is still, right now, not understanding staffing and not making a judgment on staffing; that is an incredibly high figure of overtime. Then I go to line item...

Mayor Newlands: I think when you look at some of the police overtime, you need to look at the budgets of other towns to see the percentages of overtime they're working vs. their base pay; and it's pretty much in line with that. We're not out of line with other towns.

Councilwoman Jones: I haven't done the survey; I'm talking for seven officers that is a lot of money per officer. I don't care what town you compare it to. Training and Seminars under Police, 5180. We're presenting \$7,682 over; spent to date according to mine \$18,182; we budgeted \$10,500.

Mayor Newlands: That's because we have three guys in the Academy.

Councilwoman Jones: Okay, let me say this, if you go to Uniforms...

Mayor Newlands: Wait, can we stay with Training? I don't want to do two at one time.

Councilwoman Jones: Well okay, Training at 5180; Training 5180 in your expenditure sheet, which is Page 29; that Training contains over \$1,300 worth of Uniforms for the recruits.

Mayor Newlands: What page are you on?

Councilwoman Jones: I'm on Page 30 of the 70 page expenditure sheets. The Training contains, and I can't even determine, if the taser equipment is for the recruits, so I did not add it in; I only added in belt accessories, uniforms, uniforms, uniforms; I didn't even include recruits training Glock; because I wasn't sure. It comes to \$1,350.88 in uniforms that's tucked into that account,

which is part of what is pushing it over.

Mayor Newlands: These are the uniforms that they use in the Academy; they're not their street uniforms afterwards. Am I right?

Councilwoman Jones: Mr. Mayor. Yes. You are right. But under 5480 which are under Police Uniforms and that is going to be on Page 40; what I want you to look at; Recruit Uniforms; Recruit Uniforms; Recruit Uniforms; Recruit Ties; Recruit Gun belts; Recruit Boots; Recruit's Body Armors; Uniforms for Recruits; Recruit 9117's Gun belt. It's not a purified account. Those uniforms stuffed into training or the recruit stuff stuffed into uniforms, needs to be defined.

Mayor Newlands: The Uniforms, and correct me if I'm wrong, under Uniforms, are for when they get out of the Academy; that's their regular work uniforms, dress uniforms, correct?

Captain Cornwell: The gun belt that she described is issued to them, but they're going to use that... They use it. Year's ago they used that; now they use it, but when they get out of the Academy, they're going to use it on the road also. The majority of the stuff that's in Training is specifically geared towards at the Academy. So it costs quite a bit to outfit one person to go through the Academy. We pay them like \$351 or \$352 per person for stuff that we get from the Academy; and then we drop about \$1,000 or so per Academy person just to get them equipped with their stuff for the Academy for Training; and then it's \$2,000-\$3,000 or so, roughly, for stuff when they come out of the Academy for what they actually wear. So when you're talking about the leather sand brown belt, for 9117, that would be used in the Academy, but then it also goes back onto the uniform; so that's why it might be in Uniforms, instead of in Training. I don't have this document.

Mayor Newlands: Whatever is in Training is for Training; Uniforms is for Training and afterwards, it gets carried over. They have gym uniforms that they wear and certain special things that they're wearing in their Training.

Councilwoman Jones: I do understand that.

Captain Cornwell: After six months of being up there, pretty much everything they've given for training purposes, is going to be pretty much trash; it's not going to be able to go on the street.

Mayor Newlands: You could use it to paint.

Councilwoman Jones: Well, in that same regard then...

Mayor Newlands: Some of the things you're talking about are the costs of doing business. They're uncontrollable costs.

Councilwoman Jones: And I can't go to the public and ask them for more money unless we're willing to look at the cost of doing business and try to reduce it. I can't...

Mayor Newlands: But I can't. It's the Academy.

Councilwoman Jones: Yes, you can. Not necessarily the Academy wear.

Mayor Newlands: But that's what you're picking on.

Councilwoman Jones: Let's look at...

Captain Cornwell: Actually, if you want to reduce the cost of business, then you take care of your employees with the proper pay so we don't have to keep putting people through. That would take care of the cost of doing business on the Academy.

Mayor Newlands: What else do you have? I mean, you're harping on something that you have no control over, because we have guys in the Academy.

Councilwoman Jones: I'm harping on something I know something about, which is why I'm on the police business. If you'll look under category 5490 on Page 41, it says that year-to-date we have spent \$7,347 out of an \$8,000 request on Uniforms. On Page 41, that same line item shows us \$8,329 in the whole; having spent a total of \$16,329 to date. That is a minus in the

last posting of 7/21/11. Page 41 of your expenditure sheet. Okay? So if those figures are correct and I really am preface it; if those figures are correct, then when we get to \$8,000, which is what we budgeted, how did we let it continue on so out of control?

Mayor Newlands: It's the cost of what it takes to put the recruits through the Academy and you have no control over that cost. We didn't start this budget year planning on having two guys in the Academy. They quit just after the budget year started. We didn't plan on this, that's why it's over budget, because it costs money to put these guys through and it's a fixed cost.

Councilwoman Jones: We are really over budget in that line item and we don't have the money to cover it; although we have been covering it, because we pay the bills. So it adds to the deficit.

Mayor Newlands: We do not pay enough in salaries to get seasoned officers, so we have to put guys through the Academy. It costs money to do that. You can either raise salaries enough to not have to do this and you'll just pay it a different way; that's all. We've been through this quite a number of times over the last year and change. You haven't been on Council. If you're going to bring in seasoned officers, you're going to pay for a seasoned officer; you're going to pay for them to go through the Academy and get trained. That's just a fact of life.

Councilwoman Jones: The spreadsheet you gave us, not only showed base salaries last time; it then showed what the employees worth is for what the Town pays for that employee; that's their insurance, their pensions; it wasn't added to the Police side, which was the cost of the defraying of their personal vehicles, by having take home cars; but a salary becomes boosted by \$20,000 plus, in benefits, and I cannot ignore \$77,500 in overtime. It may not be the bottom line of what we are sending home in their pockets from the taxpayers, but it actually is. That overtime is coming out of taxpayer dollars. I'm more than happy to look at revenues; that's what other Council people want us to do. I understand that and I understand that's my responsibility, but it's also all of our responsibilities to cut the cost, reduce the deficit, so that when we actually do get money into our coffers, we're not just always playing catch up. So if you find my going by these things line item offensive, I'm very sorry Mr. Mayor, I signed on believing that was my responsibility.

Mayor Newlands: I don't find them offensive, but they are the cost of doing business and we have been trying to fix things, as far as getting the police so we're not having recruits coming in all the time. If we're going to have this size force, you're either going to have pay up for them or you're going to have recruits come in.

Councilwoman DUBY: We have the figures that you gave us with the salaries. Do we have figures in terms of how much overtime the officers in those other communities make? In other words, what their final end of the year take home pay is, including overtime, because I would be curious.

Mayor Newlands: I don't have that. I only have what some of the towns budget for overtime overall for the police force; and I just go by the overall budget, I don't go by the individual; only because they don't give it to me. That's part of the problem. I'll get it for one or two towns, but...

Councilwoman Hudson: If you know how much overtime is being budgeted, do you know how many officers they have that are receiving that overtime, so you can get an average of per officer, how much they're making in overtime.

Mayor Newlands: I go by the percent of the gross pay; of their base pay.

Captain Cornwell: You can't go by we have seven officers; therefore we have so much money in overtime, so you split that up. There's no way you're going to come up with a figure for that; because some officers generate more things than other officers; you're basically... I also want to

go back to the \$77,000 in overtime that Ms. Jones says. Previously it was used that when we provided a document from the State of Delaware and we took the salaries from the Department of Homeland Security throughout the area of Sussex County, it was said by Ms. Jones and I think Ms. Hudson, that it was skewed \$77,000 for overtime is a skewed number. The holiday is a benefit that's given to all members, or all employees of the Town of Milton. When you put that into overtime for the Police Department, you're skewing the number because not all the departments work 24 hours a day. Our Department is required to have people here 24 hours a day, 7 days a week; according to how we run right now. If a holiday falls on that, Town Hall employees take off that Monday for the holiday. Our people do not have the luxury to take off that day or else you would not have police coverage, so we get the pay above the normal salary; and unfortunately, some people classify it as overtime. It's not overtime. It's the same benefit that the town employee gets; they get 40 hours that week. Our people, because they're working or off that day, have to have the same benefit that the people that work or get off that day, get. They have to be paid for it. Unfortunately, it's being put in as overtime; and it's not overtime; it's the same benefit that the employees at Town Hall get or the town crew gets. It's just now being added to overtime and it's not; it's holiday pay.

Councilwoman Hudson: Okay, so you're saying that when I'm getting a day off and getting paid for that day off, and that's part of my 40 hour work week, that when you work your 40 hour work week and then you work extra and you get overtime for that extra; that that's the same thing as me.

Mayor Newlands: He's talking about the holiday pay, not the overtime. Just the base pay.

Councilwoman Duby: Basic holiday pay; I understand that the people who work on the holiday get their basic and then they get overtime on top of that...

Captain Cornwell: They get a half day.

Councilwoman Duby: But the people who don't work, just like anybody else's salary, that's including their salary.

Councilwoman Jones: Base pay.

Mayor Newlands: No, it's not, because they're not working a straight week; they're working two days on, two days off, three days on, three days off. The people who are off on the holiday... It's very hard; it's taken him a long time to explain it and get it through my head. It's not easy to understand because they're not working Monday through Friday, okay? They're working Monday and Tuesday and then Friday and Saturday.

Captain Cornwell: And Sunday.

Mayor Newlands: Okay, so they're not having the chance to have the day off, because they're not on duty that day; they're not scheduled to work that day.

Councilwoman Hudson: But also it comes down to hours. Very simply, if they're working over 84 hours; isn't that it, they get overtime pay?

Captain Cornwell: No, it's not correct.

Councilwoman Hudson: Or is it 80 hours?

Mayor Newlands: I think it's 85-1/2 hours.

Councilwoman Hudson: 85-1/2, then they get overtime pay?

Mayor Newlands: But that's because they're working it. They're entitled to it. Why would they not?

Councilwoman Hudson: No, that's what I'm saying. They get overtime pay and somebody who is working a 40-hour work week, doesn't get overtime pay. The Chief doesn't get overtime pay.

Mayor Newlands: He's an exempt employee.

Councilwoman Hudson: Yes. So, we're talking about controlling the number of hours of

overtime, because we're not the only town that's gone through this. Previous to this, when Don Post was here, we had this discussion about controlling the amount of overtime and so it's not something that's the normal course of doing business; or it's not something that's just, well they're going to get it because we have holidays or we have events. There are ways of cutting back on overtime. If you don't have the money, you just don't have the money.

Mayor Newlands: But we have to pay them for the holidays; you have no choice about that.

Councilwoman Hudson: I'm not discussing when they get their holidays. Right.

Mayor Newlands: It is a cost of doing business. When they work a holiday, they're going to get paid double time and a half for the holiday.

Councilwoman Hudson: Yes, right. I understand that.

Captain Cornwell: And if we get a prisoner...

Mayor Newlands: And if they get a prisoner in the last hour of their shift, they could spend six hours with that prisoner.

Councilwoman Hudson: Or, could they just, if it's in the last hour of their shift, then they could perhaps turn it over to the next shift; and they can finish up with it.

Captain Cornwell: That's a thing that if you come down to the Police Department...

Councilwoman Hudson: No, explain it here, please, in front of the audience; not just to me personally; because the thing is, the money is going to come from them.

Captain Cornwell: I'll explain it to the public. I have no problem with that. It's not an uncommon occurrence that when a shift comes on and a shift goes, that the on duty shift turns a prisoner over to the oncoming shift. There are certain times when you do that. I'm glad you brought that up. But that's something that we can talk about also, at a later time, but it doesn't matter. The thing is...

Councilwoman Hudson: It does matter. We're going to be talking about raising taxes. It does matter. Please explain it now.

Captain Cornwell: Okay. If an officer has a prisoner and it's coming on to 6 o'clock, generally for arraignments or running to prison, they can turn that prisoner over to the oncoming shift, as long as there is no complaints. If there are complaints coming in, or anything pending, because we have one officer working or whatever, then obviously they can't because they're going to have to go handle the other complaints. In general, what we do is if the 6 o'clock day work person is getting off, the 6 o'clock person is coming in, they'll turn a prisoner over; they'll do the video phone arraignment; they'll run them to the court or to prison or whatever. If they have to do the warrant, they can't turn the person over; because that officer has to sign the warrant for the arrest of that person. We even take where the person that's working will obtain the warrant and it used to be back when I arrested Joe Citizen for whatever, I would take him back; I would start the report; send the warrant and while I was waiting for the warrant to be approved, I would fingerprint and photograph them. The Courts in the State of Delaware have changed that now to I cannot fingerprint and photograph them until the warrant is approved by a judge. We wait on the court system. Sometimes we wait, and video phone is a lot better than driving; that's one thing that we participate in. I can't even tell you how many thousands of dollars that saved us where we're not driving to Georgetown all the time or down to Lewes to take a prisoner forthwith, for something that we can take care of in the station and then they leave from there. So, we can't process them, until it's approved by the judge. So if you get somebody at 5:30, for whatever offense, the 6 o'clock guy comes in; until that warrant is approved, that officer cannot leave until they get on there and they approve it by the judge. Once the judge gets on there and approves it, then we'll have the next shift actually fingerprint and process them and the day work guy or the night work person can leave. There are times when that just does not work out. It's an

operational thing that we take care of and we manage inside the department. Our people know to pass things on and such like that. There are times that they can't and it's because they're waiting for warrants or different things and if complaints are coming in. So that's already being taken care of. That's not even an issue. Like I said, anybody wants to come down and see the operations, all they have to do is to contact me or Chief Phillips and we have no problem. We don't hide anything. There are some things that we don't like to discuss, because if you start talking out here about how our shifts run; which we're being forced to talk about; that, if it gets printed in the newspaper or something like that; why don't we just open up everybody's doors and all the coffers to the criminals?

Councilwoman Hudson: Well, it's already in the policy and procedure from 2005 and 2007, how many are on a shift. So it's not a secret.

Mayor Newlands: It's not given to the public.

Captain Cornwell: The policy and procedure is not open out to the general public. If anybody has policy and procedure, it may be some Council people and it's in the department; it's not out to the general public. What we're doing now is, through a budget situation, we're opening up our entire operation to Joe Criminal and it's a shame, because I'll be honest with you, I don't live here. So I don't have to worry about it. All right? I know that when I'm home, my house is well taken care of. But, the people in this audience, because of all these questions, their houses...

Councilwoman Hudson: I think that's a fear tactic.

Captain Cornwell: No that's not a...

Councilwoman Hudson: This is standard. When we go through a budget, we're not the only town going through a budget, line item by line item.

Captain Cornwell: How many towns ask the Police Department what they work?

Councilwoman Hudson: And we're giving away, basically, classified information or something that's going to put us at risk.

Captain Cornwell: How many Council People in open session like this, ask exactly what their people work?

Councilwoman Hudson: How many don't ask? Do you know?

Mayor Newlands: Actually Ms. Hudson I did stop somebody from doing this about six months ago.

Councilwoman Hudson: From what?

Mayor Newlands: From giving out the police shifts and I actually was reluctant in letting John do that tonight, because I don't like the public to know what our shifts are; I don't like them to know what extra coverage we have on certain nights; because it's none of their busies; because we're there to protect them and we know what the statistics are.

Councilwoman Hudson: We're here to go through this budget.

Mayor Newlands: We understand that, that's why we offered a couple of times to go down and sit with them privately so you can understand it.

Councilwoman Jones: I would like to finish, if I may.

Councilwoman Hudson: Right.

Councilwoman Jones: I do take, even if it's an accounting issue within the Town of Milton, I do not believe it is skewed; \$77,500 is what's on the table; it's on the books, we've paid it out. I did not attempt to divide it by seven officers and come up with a final figure, because you could not capture the proper information even you made that assumption. But there is no assumption that there is \$77,500 on the books, right now, as Milton does the accounting under overtime. That's a fact. Now, if I may go to category 5425 which is DUI Blood Draws. And here I made an observation and a recommendation. A \$2,000 start; we have actually only had 10 BAC's taken

out of that account, for a total of \$690 for BAC's (Blood Alcohol Counts); the others belong to eye exams, preemployment screening, recruit health, recruit eye exam; and so on. Here's where I would like to make a recommendation that perhaps the Town needs to consider a preemployment screening line item.

Mayor Newlands: Perhaps we can maintain our staff, so we won't have to do that.

Councilwoman Jones: What does that have to do with this?

Mayor Newlands: We shouldn't be hiring this many people. We shouldn't be in this mode.

Councilwoman Jones: Just perhaps you would consider capturing in the future, the hiring costs of each department by breaking those out, because in asking for \$2,000, it hasn't shown evidence that that doesn't mean that DUI's won't spike next year, but you have to date spent \$690 on actually what the column calls for.

Mayor Newlands: That's a good catch, that's fine. I'll break that out, because I was just copying what we had from the year before; but that's fine.

Councilwoman Jones: Going back to catches under 5490 Police, that \$7,347.60 in what has been spent year-to-date is not correct.

Mayor Newlands: Yes it is, because the other hasn't been paid yet, it's still open. The other items are open which is my understanding. This is what has been paid so far when I ran this on 7/27. This money came from an expense sheet. The checks haven't been written for that yet.

Councilwoman Jones: Okay, as of 7/21, which was Expenditures, I'm back on Page 41, you have a balance of a deficit.

Mayor Newlands: We encumber money; in other words when a bill comes in we encumber the money so that the money is allocated. Those checks haven't been spent yet. Those two line items you see there for \$6,900 and \$2,000; it says on the left hand side it's open; they haven't been paid yet.

Councilwoman Jones: Does it mean it won't?

Mayor Newlands: It will get paid, yes.

Councilwoman Jones: So you will be that much in a deficit.

Mayor Newlands: Yes.

Captain Cornwell: That's from when we requested the purchase order, so they take that out line item. But it has not been spent yet.

Mayor Newlands: What you're seeing on your other sheet is what has actually been spent so far.

Councilwoman Jones: And this expenditure sheet is not accurate.

Mayor Newlands: It is accurate as of 7/27, that's what got spent.

Councilwoman Duby: And when the stuff that is outstanding gets spent, it would show up here.

Mayor Newlands: I would have to update the spreadsheet, yes. This spreadsheet is manually done. If you want to see all these years next to each other, that has to be manually done, so on the 27th I run a report and the report reflects all of the expenses paid and I update this. It takes me about two hours to update this.

Councilwoman Jones: On one of the other notes, we know that we have accounting...

Mayor Newlands: Hang on, just one minute. I didn't put my note down for the blood draws, so please give me a second. Go ahead.

Councilwoman Jones: We know we have an County grant coming in the total of \$22,500.

Where are we reducing the expenditure no matter in what line of the police budget by \$22,500; because that's the recommendation that I would make; whether it be to purchase or go towards the new copier; any kind of equipment that may be needed for vehicle; but to be fair, in a year that is tight, it's everybody's responsibility, department heads especially, to make sure that we are spending within our means. The fact that we're covering a deficit tells me may not have been

doing that at this time and we have overage. But if you are confident and I have the paperwork that says that we're going to have \$22,500; then where will it be reduced from the police budget?

Mayor Newlands: We haven't made a determination yet if we're going to use that money to pay for the budget or buy additional equipment for the Police Department. The grants are not guaranteed every year; they've only been around for a few years. I don't like using grant money to budget for expenses. You never know when you're going to get it. That money varies from year to year. It's been \$15,000 at times; it's been \$20,000; it's been \$25,000 at times; it just changes every single year.

Councilwoman Jones: Okay, well, this paperwork says \$22,500.

Mayor Newlands: I know. I know what the number is. I was told what the number was July 1st. We've known all along. The number is in here. It's on the last page, the last item on the bottom of Page 10. It's sitting right there, \$22,500.

Councilwoman Jones: In all fairness, as we are looking again at raising some kind of revenue, then we, as an operation, also need to give every benefit we can. If we need equipment, if we need equipment; hear me out; again I've got a \$3,300 line item for a new copier. Right off the top of the \$22,500.

Mayor Newlands: Actually the Chief is looking at other grants to pay for that.

Councilwoman Jones: Okay, fine, I haven't seen any evidence of those and that's fine; it may not be solid.

Mayor Newlands: That's because he's out on vacation this week.

Councilwoman Jones: I'm talking about the money we know that's coming to us.

Mayor Newlands: What is the item you have from the County there. What does it say you're supposed to spend the money on? Equipment for the Police Department, right? And we have no capital expenses.

Councilwoman Jones: Yes it says "Municipalities with Police Departments will be eligible for a grant of \$22,500 to be used for police related expenditures and municipalities without a Police Department will be eligible for a grant of \$11,250 to be used for security related expenditures. Recommendations were presented to Sussex County regarding the revenue sharing grants. The following policy was unanimously adopted by Council. Funds continue to be used for capital and/or operation expenses related to police or security operations with the exception of bonuses. Applications must be signed by the Chief, Mayor and Town Manager. Applications for security grants would require the signatures of a Mayor and Town Manager. Changes of \$500 or more must be submitted in writing and signed by those who signed the initial applications and grants would be dispersed without presentation to the Council. They have bestowed upon Ms. Thompson, the ability to review these grants and make determinations." That's what this says and it would be well within Milton's operational expense to buy the equipment that again, I'm really sounding like an old record here; in the way these line items are set up, you as for a unilateral number for equipment and/or expenses and/or uniforms and there's not a person who knows what it is.

Mayor Newlands: What are you talking about?

Councilwoman Jones: I'm talking about the budget request for fiscal year 2012.

Mayor Newlands: What line item?

Councilwoman Jones: It doesn't matter.

Mayor Newlands: Yes it does.

Councilwoman Jones: It has no descriptor under uniforms for \$8,000. It doesn't matter who's account I'm looking at. It doesn't give the Council the ability to view what the needs are as

defined by the department and the department head. If it were an itemized request for budget, as I have handed over to Council for consideration, but it was too late this year; you would know that your Water Department is asking this much money because these are the items they need.

Mayor Newlands: We're talking police grants.

Councilwoman Jones: It doesn't matter whether it's police.

Mayor Newlands: I'm lost. I'm totally lost, I'm sorry.

Councilwoman Duby: She wants more detail.

Councilwoman Jones: I want more detail on what these figures are that sit in the proposed budget.

Mayor Newlands: I gave you a 72 page document.

Councilwoman Duby: And that's what she's talking about; she's gone to those items and said gee, you know this said meeting and now it says uniforms; and it said uniforms and this says something else.

Councilwoman Jones: Or it said MasterCard \$2,000.

Councilwoman Duby: But what she's saying is [garbled]. I want this much in my budget for this, this and this, when you have [garbled].

Councilman Lester: Mr. Mayor, can I just make a comment?

Mayor Newlands: Sure.

Councilman Lester: The line items that are being discussed is a system that was developed over the last several years by prior Town Councils and this Council and the outside consultants are in the process of updating the way reports are written. Unfortunately, we can't go back and change a system that was put in place by prior administrations. It was set up in the accounting system to report the way it is reported. You can't go back and criticize it today; we can say, yes, we'll go forward. As a matter of fact, just yesterday, I received 154 page document which will outline the procedures the town would use in the future. I spoke to the Mayor about this yesterday and we decided as soon as the Town Manager begins work, that the Mayor and I and the Town Manager can begin looking at this document. It's being reworked. We can not change what has been set up in an accounting system over the past four years. It just can't be done. You can only go forward and get better descriptions and better classifications.

Councilwoman Jones: You misunderstand. I'm not asking you to set up a different accounting system.

Councilman Lester: No, but your complaining about the wording of expenses and that's the way the system has been set up.

Mayor Newlands: That will change.

Councilman Lester: There's nothing we can do about it. You can't change that on a dime.

Mayor Newlands: What we can change is the descriptions of what gets paid and we are doing that. The accounting clerks see that as a problem and they are correcting that going forward, okay, and we're working with them to get that corrected going forward.

Councilwoman Jones: And two other comments. My point being, that you're based on history; sorry to use the police uniform \$8,000. That doesn't mean anything to me. I can look through here and tell you it still doesn't mean anything to me as the descriptors; because up front, I'm asking the department head for that account to tell me why they believe their expenses are \$8,000 as opposed to \$4,300 worth of actual need that they have quotes on. And just because it's presented from the department head, doesn't mean that the Council always accepts it at the rate that it has been requested. Okay, there is room to reduce it. The fact that you refer me to this expenditure sheet, again, under this accounting, just didn't produce enough information for me to understand. And when it comes to budget, I'm going to go out on a limb here, in public,

and say there are more people concerned with the budget construction and understanding it, Councilman Lester, then you, the Mayor and the new Town Manager. Many of us, like myself, I want to understand what figures you're presenting, but it is very, very difficult. Now you may call it a criticism of the system that you adopted...

Mayor Newlands: We inherited, we didn't adopt this.

Councilwoman Jones: Okay, you inherited, but you stood under the previous administration and complained that you couldn't understand the information and I stand now under this administration and say things have gotten a little better; don't get me wrong, things have gotten better; but I'm still, in many cases, left in the dark.

Mayor Newlands: That's why we gave out these documents, so that you had some reference so that you could see what's going on. If you need further detail, we'll get further detail. But I don't know how much paperwork you want us to generate. There's, I don't know...

Councilwoman Jones: I want you to generate from a department what their needs are in dollars and sense, not a flat figure, spend it until it's gone.

Mayor Newlands: This year is done. You're not going to get that this year, I can tell you that right now. There's just not enough time to produce all that; there's just not enough time.

Councilwoman Jones: Then I go back to, I believe that if the police are going to be recipients of \$22,500, then somewhere we have to trim this budget by that much. In whatever category you want to apply it to.

Councilwoman Hudson: That's my concern, that they end up with everything that's listed here and then they go ahead and spend the \$22,500 in addition to this. If we're going to get that grant and it's like Ivory Soap, 99.44% guaranteed that we are going to get it; then you can pretty much and if this is all the information that we're getting, then you could put some on uniforms, some on the copier and you can basically plan ahead on what to do with \$22,500 and it could be their choice where they want to put the \$22,500.

Mayor Newlands: I will print out what Vance Phillips said, that grant is not to be politicized and not to be controlled by this Council; it's to be controlled by the Police Department. It's to be controlled by the Police Department. It's to be controlled by the Police Department.

Councilwoman Hudson: That's what I said. They can take things out of here for the uniforms or the copier...

Mayor Newlands: It's to be controlled by the Police Department.

Councilwoman Duby: Mr. Mayor, I won't speak for my colleagues; I am not asking to sit here and say to the Police Department this is what you will spend it on.

Mayor Newlands: They just did.

Councilwoman Duby: Well, they may have. I said, I'm not speaking for them. But I would like to know that it is not going to be on top of what they have in the budget. That's all I'm asking. I don't care what they spend it on; I want to know that it is being used to offset the expenses that are in this budget.

Mayor Newlands: Grants are not revenue and they should never be considered revenue.

Councilwoman Duby: What are they, if they are not revenue?

Mayor Newlands: I like to use them for other expenses. If we needed a new patrol car, for argument sake, I would like to be able to buy a used patrol car, if we needed one and swap one out.

Councilwoman Duby: But we don't have that option at this point; we can't say... We have a \$330,000 deficit, so let's have them take the \$22,500 and go out and use it for something that's not even in their budget. We can't do that in good faith to the people who are paying the money, the taxes, that fund this government.

Vice Mayor Betts: And the tax going up each time.

Councilwoman Duby: Yeah and taxes going up and saying well if they want to use that \$22,500 for something else; let them use it. Don't use it to offset the expenses that are in this budget. That's totally irresponsible. That's not politicizing it, it's just simply being responsible.

Captain Cornwell: My question and I want to ask anybody here is, training, experience towards police work to determine what the operations of this Police Department need. Who has that?

Councilwoman Hudson: It's here in this. This is what we're working on.

Captain Cornwell: No, I'm asking for what the Police Department needs; who has the training, the experience to know what the operations of any department; not only this department, needs.

Councilwoman Duby: I don't. I am looking at the budget that your department presented to us and you have said we need this stuff for the Police Department.

Captain Cornwell: Actually, we have never since the previous administration, we've never presented a budget. We were given the numbers and that's what we operate within, or try to operate within.

Mayor Newlands: They're running in maintenance mode, okay; and I mean maintenance mode is we have the uniforms, building expenses, heating expenses, things like that; that's what represented in here. There's nothing of capital improvement represented in here.

Councilwoman Duby: And I understand that; I'm not arguing capital improvements.

Mayor Newlands: But if we use the \$22,500 to plug this year's budget, if that grant vanishes next year, you're back in the same problem.

Councilwoman Duby: Then you worry about it next year; you don't go out and spend the \$22,500 on something that you haven't budgeted for.

Vice Mayor Betts: Yes. That's true.

Mayor Newlands: Well they just learned in the beginning of July what we were going to get this year.

Councilwoman Duby: But they already have their budget in place.

Vice Mayor Betts: That's right.

Councilwoman Duby: Not approved yet, but they said this is what we need.

Mayor Newlands: But their budget is just a clone of last year's budget; because we're in maintenance mode with them.

Councilwoman Hudson: It doesn't matter who wrote this, whether they presented it or Norman presented it; this is the document that we're working with; they've got \$8,000 for uniforms; they've got a new copier in here at \$3,300. There are things where we could just subtract \$22,500 because, as my colleagues have said, I don't want to see it to be this plus that. We're asking these people to pay 20% more in trash; maybe 70% more in sewer; property taxes are going to go up; rental taxes might be instituted and you just want to put \$22,500 on a shelf somewhere and maybe use it for something if you need it. I think we need to plug it in and use it as part of this budget.

Councilwoman Jones: Well one of the things that we haven't talked about is back to the budget proposal worksheet you presented. We got so far down as property tax, but you didn't include Cost of Living at 3%, plus additional employer taxes for all departments and salary increases of 3% in addition to equal, at this rate, on the paper \$50,000 more in deficit. COLA, I can't even name a place that participates in COLA any longer; it doesn't exist.

Mayor Newlands: These were options to put in front of Council; that's all.

Councilwoman Jones: Okay, but then I would take less offense if you're trying to raise them as a salary increase of 6% at \$50,000. COLA just is misplaced.

Mayor Newlands: It's the same money to me, that's fine.

Councilwoman Jones: But you're talking about a 6% increase.

Mayor Newlands: No you are.

Councilwoman Jones: No, no, no on this sheet. I'm sorry. Didn't you prepare this for us?

Mayor Newlands: Yes.

Councilwoman Jones: Okay, so you included a 6%, no matter what you want to call it, to all departments at an additional cost of \$50,000.

Mayor Newlands: They are two separate line items. They're not one item of 6%; they were two separate line items.

Councilwoman Hudson: It is still going to be \$50,000.

Mayor Newlands: No, you can take one of the line items out or change the percentages. It was just options; it was just options.

Councilwoman Hudson: I think you should take both line items out. I think, because new hires don't need COLA or salary increase; the police got their \$2,222.22; every last one of them, including Cathy Jacobi. I love her dearly, but I think the only people that should get a salary increase would be Robin and the four maintenance men. They've been here for years; haven't gotten anything. I think the police have gotten theirs. The new hires, as you have even said; could be put off for 18 months.

Mayor Newlands: I agree. I just put round numbers in here for talking points. That's all.

Councilwoman Hudson: I think if there's any percentage of salary increase at all, it should only be for the four people who haven't gotten anything; who have been here for years and that would be Robin and the four maintenance guys.

Councilwoman Jones: May I ask if this \$50,000 shows up in the deficit yet?

Mayor Newlands: No it doesn't.

Councilwoman Hudson: It's just an idea.

Mayor Newlands: That's why up at the top you had \$299,000 and those open items are there; that's where you can put in additional expenses.

Councilwoman Jones: Okay, thank you.

Mayor Newlands: This was just a rounded number just for discussion purposes and we've talked about going over the salaries individually; we can't just do that in public.

Councilwoman Jones: I understand.

Mayor Newlands: So we've discussed that as well. And we've discussed that the new employees don't need to get increases right away.

Vice Mayor Betts: But here it says all departments and all employees.

Mayor Newlands: I was just rounding things out, that's all. These were ideas. Thank you.

Councilwoman Hudson: These were just ideas.

Mayor Newlands: And it's 21 employees, not 23 employees. The were just for discussion points as to where we're going to go. So we're not making any choices tonight. I'll change this chart to be; that we're just looking at now with the salaries on it, to add in 40¢ increase in property tax at 30% and get the proper number for that and I'm going to get the numbers on how Lewes does their taxes and I'll see if I can get Dewey also.

Councilwoman Duby: And Rehoboth?

Councilwoman Hudson: And since the Town Council is not be involved in deciding how the Sussex County Grant is to be spent, then could you ask the Chief or the Captain to decide how \$22,500 can be spent on the items that are listed in this budget, so we can use it on this year's proposed budget.

Mayor Newlands: I'll talk to them about that. I just learned about that thing from Vance Phillips last week.

Councilwoman Hudson: Not for bonuses.

Mayor Newlands: It says in there not for bonuses. Although they did teach us how to do that last year, by the way.

Councilwoman Hudson: They approved it.

Mayor Newlands: Actually, they taught us how to do it last year and then had second thoughts after we did it. Because the Chief came to me and said can we use this for bonuses? I said, go to the County. He went to the County and the County told him to write it up and then it was presented to the County Council by Hal Godwin, because that's in the minutes; it was presented to the County Council and it was unanimously granted to the Town to do that and then somebody in accounting got their horns twisted and made a big deal about it and they all got chicken and went oh, we shouldn't do that. That's after the fact, I'm sorry, but they taught us how to do it.

Councilwoman Hudson: But they've gotten an increase; so I think Robin and the four maintenance men should get something.

Mayor Newlands: Okay, let me go over what I'm getting here. So I'm getting the assessment formulas for some of the towns; Gross Rental Receipts Tax on commercial, we're going to look at that. You want to know where the accident went to for Federal Street; and the blood draws, I've got to separate out the new hire costs; and I've got to figure out where the revenue is for the Lung Association payments.

Councilwoman Jones: And the Town Manager's car, or is that not on the table.

Mayor Newlands: Oh yes, the Town Manager's car; no I just have to get to it. Actually, I have to get Boone to do that; he's our salesperson. Now, next Tuesday at 6:30 we have budget hearing. I know two people are not going to be here.

Vice Mayor Betts: I might be here late.

Mayor Newlands: Okay. Mr. Lester won't be here; Ms. Betts may be here and the rest of us should be here. Then Thursday is a full Town Council Meeting. It's got a decent size agenda on it. But there are some things in there that we don't need to per se vote on, like yard waste; we can wait until September. It's only another two weeks away, so there's things to mull over and talk about there. Did I capture everything? Where's my agenda?

Councilman Lester: I would like to just ask one question about special police use. The Chamber of Commerce is going to have this event sometime later this month that is going to require additional police officers, I guess, right? Bargains on the Broadkill.

Captain Cornwell: Usually we assign more officers to work on things like.

Councilman Lester: Is there anything to prevent us from charging the Chamber of Commerce for overtime for police officers; or just for the cost of the police officers?

Councilwoman Jones: As long as they know it's coming.

Councilwoman Duby: My understanding is that that's never been done, just because the Festival helps Economic Development in the Town. It's always been that way. Part of the need for police officers is because of the limited parking and because of the vendors coming in in the morning and so on; so it's just always been sort of a cooperative effort between the town and the Chamber and the other organizations that display there and so on.

Councilman Lester: So if we're looking at cutting costs, then maybe they can find some Chamber members to direct traffic and do those other things, on a voluntary basis.

Councilwoman Hudson: They're not trained.

Mayor Newlands: You can't anybody else direct traffic. I view it as Town's contribution to Economic Development.

Councilman West: You have to be certified to direct traffic.

Councilman Lester: And there are a number of those events, so I'm not sure why we can complain about that.

Mayor Newlands: We don't need Executive Session, unless anybody has a need for it.

Adjournment

The meeting adjourned at 8:24 p.m.